

# HOUSE BILL REPORT

## HB 2023

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**As Reported by House Committee On:**  
Appropriations

**Title:** An act relating to newborn screening fees.

**Brief Description:** Establishing newborn screening fees.

**Sponsors:** Representatives Schual-Berke, Hinkle, Cody, Campbell, Darneille, Walsh, Morrell, Seaquist, Hunter, Hunt, Dunshee, Ericks, Haigh, Simpson, Ormsby and Sells.

**Brief History:**

**Committee Activity:**

Appropriations: 2/12/07, 2/19/07 [DPS].

### Brief Summary of Substitute Bill

- Makes permanent the State Board of Health's authority to define additional disorders eligible to receive treatment funding at specialty clinics and the Department of Health's authority to collect a reasonable fee for this purpose from the parents or other responsible party of screened newborn infants.
- Directs the Department of Social and Health Services to reimburse the cost of newborn screening fees that are used to fund specialty clinics in its Medicaid payments unless such payments are found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 33 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Cody, Conway, Darneille, Dunn, Ericks, Fromhold, Grant, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Bernard Dean (786-7130).

**Background:**

Newborn infants born in Washington are screened for several inherited genetic disorders before they are discharged from a hospital. In 2005, screenings were performed for approximately 78,000 newborns. The Department of Health (DOH) assesses a one-time charge for the screening, which is added to billings for maternity services. The current fee is \$60.90 per infant. This newborn screening fee does not cover follow-up treatment services for children.

The DOH is authorized to collect an additional fee to fund specialty clinics that provide treatment services for hemoglobin diseases, phenylketonuria, congenital adrenal hyperplasia, congenital hypothyroidism, and, during the 2005-07 fiscal biennium, other inheritable or metabolic disorders leading to mental retardation or physical defects as defined by the State Board of Health. The additional fee is currently set at \$6.60 per infant. This includes \$3.50 per infant to replace discontinued federal grants that supported the treatment of phenylketonuria and sickle cell disease and \$3.10 per infant to help fund the cost of treatment for children diagnosed with one of five disorders added to the newborn screening panel in 2003. The authority to collect the \$3.10 fee expires June 30, 2007.

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**Summary of Substitute Bill:**

The State Board of Health's authority to define additional disorders eligible to receive treatment funding and the DOH authority to collect a reasonable fee for this purpose, from the parents or other responsible party of screened newborn infants, is made permanent.

The Department of Social and Health Services (DSHS) will reimburse the cost of newborn screening fees that are used to fund specialty clinics in its Medicaid payments unless such payments are found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state.

**Substitute Bill Compared to Original Bill:**

The \$67.50 newborn screening fee that funds specialty clinics is removed. Congenital hypothyroidism is restored as one of the disorders eligible to receive treatment services through newborn screening fees. The State Board of Health's authority to define additional disorders that are eligible for treatment funding and the DOH's authority to collect a reasonable fee for treating these disorders is made permanent (that authority was set to expire at the conclusion of the 2005-07 biennium).

The DSHS is directed to reimburse the cost of newborn screening fees that are used to fund specialty clinics in its Medicaid payments unless such payments are found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect on July 1, 2007.

**Staff Summary of Public Testimony:**

(In support) Newborn screening is an important piece of improving the health of our children in this state. We are working hard to add more disorders to the screening. These screenings are cost effective. For every dollar spent on screenings, \$4.30 comes back. If we don't have treatment in place, that cost savings is not realized. So, it's important to not just screen the kids but to also follow up with treatment.

If the fee is ended, it will be devastating to children. There will be fewer services available. This bill maintains the status quo. Newborn screening profoundly improves the lives of the families served.

This program works. The University of Washington Medical Center cares for over 500 of the children affected by the newborn screening. Without the program around 200 children would be dead, 300 would have mental retardation, and at least 100 of those would be in mental institutions. That's \$10 million in costs per year. The cost of the clinic is around \$500,000 a year. This is a modest request that pays us back.

(Opposed) It's a good idea to screen and identify those with diseases that cause mental retardation. It is good for them to receive follow up care and it is good to collect a newborn screening fee from every parent that has a baby. The problem is that it doesn't work that way. Fifty percent of births get Medicaid and go through Healthy Options. It depends on negotiations between the Healthy Options plans and the hospitals as to whether or not the fee gets reimbursed. The fee is largely not reimbursed. We were told by the DSHS that as of July 1, 2007, the \$3.10 would not get reimbursed. Also, private payers also do not consistently reimburse the fee. The fee doesn't get reimbursed because the fee is not a service, but a mechanism to raise money for providers.

**Persons Testifying:** (In support) Representative Schual-Berke, prime sponsor; Cherish Hart, March of Dimes-Washington; Reynold Scott, University of Washington; Gad B. Kletter, M. D., Swedish Hospital; and Christine Trahms, Center on Human Development and Disability, University of Washington.

(Opposed) Len McComb, Washington State Hospital Association.

**Persons Signed In To Testify But Not Testifying:** None.